

MINUTES
Highway Expansion and Extension Loan Program

Advisory Committee Meeting
April 13, 2001

Call to Order Opening Remarks

Ms Peters called the meeting to order at 1:20 p.m. A quorum was present; Mr. Schwartz was not in attendance. Ms. Peters welcomed the Committee and members of the audience. At Ms. Peters suggestion all in attendance introduced themselves.

Adoption of the Minutes of the March 6, 2001 meeting

Ms. Peters entertained a motion to approve the minutes of the March 6, 2001 meeting. A motion was made by Mr. Beyer and seconded by Mr. Martin. The motion carried unanimously.

Legislative Update

Ms Peters told the Committee the Legislature had adopted a budget and had been sent to the Governor for her signature or not. One of the biggest agency concerns was the loss of the general fund HURF hold harmless.

However, the State's HURF bonding authority had been increased from \$800 million to \$1 billion, and that Board Funding Obligation authority had been increased by \$100 million. Mr. McGee stated that \$40 million would replace the general fund monies that were to have gone to HELP \$20 million in each fiscal year 2002 and 2003 and \$60 million would go to the state highway fund to help offset the loss of the VLT.

In addition an amendment was made part of the budget requiring that the five year program in effect on June 30, 2000 and the regional freeway program scheduled for completion in 2007, not be delayed. Ms. Peters explained that even with the loss of the \$50 million and the addition of \$60 million in bonding authority the Legislature was instructing the Department and the Board to hold the program in tact and to deliver those projects without changes in priorities. She went on to say the Department is reviewing the language to determine what the effect will be. Ms. Peters added that attorneys for the Department were looking at another provision that was added. She said notwithstanding the loss of the \$50 million, two increments of \$25 million in the current budget cycle that it was in the intent of the legislature that in each fiscal year \$25 million appropriated to the state highway fund from the state general to replace lost revenue in future years, or beyond the years 2003 and 2004.

Ms. Peters gave the status of other bills that could potentially impact the Department. Mr. Martin asked if the Committee members could be provided summaries of legislative action for the bills Ms. Peters had reviewed. Mr. Beyer stated he would like to have the summaries presented at a future CTOC meeting to be included in the record.

Ms Peters told the Committee she would like to postpone the Vision 21 report to a later date or if time allowed later in the meeting.

Future Meetings

Ms Morley reviewed future meeting dates and asked that the Committee review the schedule included in their packets for their availability.

As a follow up to prior meeting requests Ms. Morley presented the Committee with options for their monthly packets. The Committee agreed to the use of three ring binders.

Ms. Morley reviewed the chart included in the Members packets showing the status of the 50/25/25 mandate that the Committee had requested at a previous meeting. The Committee asked that the chart be updated and included in their packets quarterly.

The Committee was given an update on their request for information on other states' program administrative costs by Ms Morley. In response to a question by Mr. Magrino, staff continues to gather that information.

Outreach Program

Mr. Schaefer told the Committee five workshops had been held around the state. Three topics were brought up, 1) the process to have TIP's amended 2) the options for drawing down a loan and 3) that most of the Communities represented at the workshops were interested in advancing projects with HELP loans. Mr. Schaefer provided the Committee details of seven potential loans as well as a listing of projects not yet in the application phase. Mr. Beyer asked if there would be follow up to the workshops. Mr. Schaefer replied that in addition to individual follow ups he is planning to send out a newsletter in the near future.

Ms Peters asked if the HELP program would be included in the Rural Development Conference this year. Mr. Schaefer said he was on the planning Committee and that HELP would be on the agenda and have an information booth at the conference.

Cash and Loan Status Reports

Ms. Perry reviewed the cash status and loan status reports for the Committee. The Committee was updated on the status of the emergency repair funding from FHWA, for La Paz and Santa Cruz Counties. Ms. Perry explained ADOT had been notified by FHWA that Arizona received an allocation of \$3 million but that it was not clear how the funds would be distributed. She told the Committee that Santa Cruz County had not drawn funds on their loan and that Ms Tsutsumida recommended reimbursement go through the normal process.

Project Site Map

Ms Perry told the Committee the project site map included in their packets was intended to provide a picture of how the loans were distributed around the state. Committee Members complimented staff on the usefulness of the map.

Board Funding Obligations

Mr. McGee reminded the Committee the first BFO was drawn down in four increments of \$25 million each, with a maturity of one year. Mr. McGee told the Committee interest rates for the first \$100 million were high, but that because of how the law was written, the Department had to borrow the entire amount or lose what was not borrowed. Mr. McGee explained that because interest rates had come down substantially, a decision had been made to borrow \$50 million on the second BFO and that the funds had been received March 15.

City of Yuma - Avenue A Project

Mr. Schaefer reviewed the application for reconstruction of Avenue A from Desert Hills Drive to 40th Street, including widening from two to four lanes. Mr. Schaefer told the Committee this was the first of five loan applications the City of Yuma intended to submit. A motion was made by Mr. Magrino to recommend approval of the application and was seconded by Mr. Potts. Motion passed unanimously.

SR260 - Christopher Creek Project

Ms. Perry reviewed the application for an ADOT sponsored loan to reconstruct and relocate SR260 around the community of Christopher Creek and construction water. Ms Perry told the Committee the project included tunnels for wildlife, three bridges, relocating and widening roadway, that this was the final phase of the SR260 project. She explained that because water for the project was available the project was being advanced. In response to a Member's question Mr. Potts explained the water system was a joint effort between ADOT and the Forest Service. He told the Committee the agreement was for water used during construction to be returned to the aquifer which was possible at this time due to winter snow.

Ms Peters entertained a motion to approve recommendation of the application. A motion was made by Mr. Potts to recommend approval of the application and seconded by Mr. Martin. The motion passed unanimously.

Mr. McGee told the Committee the Yuma application would go to the Transportation Board April 20 and the Christopher Creek project had to be moved to the current fiscal year in the state program and that the application would go to the Board in May.

Call to the Public

Ms Peters called for comments from the public. Ms. Dusenberry responded that she had asked Mr. Estes to attend to learn more about the HELP program providing assistance to design and build a road from the Sahuarita subdivision to a new high school in Vail. Ms Dusenberry asked if loan funds were available for design projects. Ms. Peters responded design loans would be considered if there was a reasonable probability that the project would be constructed and the project met all eligibility criteria. Ms. Peters asked Mr. Ahrens, of PAG, to provide Mr. Estes assistance with the classification process through the City of Tucson and regional planning organization. After some discussion, Ms. Peters advised Mr. Estes that the Committee agreed HURF funds might be a better funding source for the project.

The meeting was adjourned at 2:30.